

IT'S NOT YOU; IT'S ME – EMPLOYERS NOT GETTING 'REAL STORY' ON STAFF TURNOVER

Bad managers are responsible for 1 in 5 employee resignations, and most organisations have no idea it's driving staff out the door, says Exit Info.

Exit info specialises in comprehensive and objective exit interviews that help organisations identify what is driving staff turnover.

"When an outgoing employee explains why they are leaving they're often concerned about how their feedback will be received and don't want to burn bridges. Instead of the real story, employees give 'acceptable' reasons for why they are leaving, such as a promotion, an overseas move or changes in family circumstances," says Lenorë Lambert, Exit Info director.

With staff turnover currently at 18%, it costs Australian businesses more than \$100 billion per year in lost productivity, training and recruitment costs. This is based on the average salary of \$55,660.80 and the cost of replacing an employee being 1.5 times the salary of the position.*

According to Exit Info, employers have greater control over staff turnover than they think. Exit Info's data shows 44% of out going employees say they could have been convinced to stay, but in 2 out of 3 instances employers made no effort to reverse their decision.

Lambert says the reason why some organisations feel staff turnover is out of their control is because they are not pinpointing what's driving it. Inaccurate data and poor reporting is causing confusion as to the real reasons people are leaving. Instead, employers are blaming the 'usual suspects' – such as not enough pay.

"Following 11 years of strong economic growth, many employers are quick to blame bigger pay packets as the reasons staff are walking out the door. The reality is remuneration rarely makes the top five reasons why staff leave, with only about 14% of people leaving because of pay," says Lambert.

According to Exit Info, the most common drivers of staff turnover are lack of opportunity for career advancement, lack of interest the work itself, not enough challenge in the role and a poor direct manager.

"Managers play an important role in helping employees develop their career and skills. The old adage, that 'people join organisations and leave managers' still rings true with almost 1 in 5 quoting a poor direct manager in their key reasons for leaving.

"Even when an employee has a good relationship with their manager, it can be very difficult to say 'you weren't up to scratch'. This is particularly a problem when interviews are done internally, as employees are concerned about who has access to the information," says Lambert.

Organisations who conduct exit interviews internally may find they get a number of reasons why staff are leaving but no constructive information to reduce staff turnover.

"Employers need to be able to differentiate between what is making staff unhappy and what is actually causing them to walk out the door," she says.

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“When interviews are conducted by an independent, external interviewer, employees are more likely to give honest and accurate feedback about what had the biggest impact on their decision to leave,” says Lambert.

Lambert says most people are loyal to their careers, rather than their employer.

“Vertical promotion is not the only way employees can advance their career. It is about being engaged in the work itself and a challenging project within their current role, or a sideways move can help to help develop their skills.

“Only 1 in 3 people go to a more senior role when they resign which shows career advancement is not the same thing as promotion.

“The zig-zag career is where people don't just move through vertical promotion, but develop a wide range of skills by taking on a number of different roles – sometimes at the same level as before” says Lambert.

Lambert warns many organisations that conduct exit interviews collect feedback in a way that makes reporting difficult and don't ask the right questions. This often means data ends up filed away and never acted upon.

“By conducting objective exit interviews that can provide extensive data reporting, organisations can discover the ‘real story’ behind why people leave. This ensures the HR budget is spent on initiatives to reduce staff turnover and ultimately benefit the bottom line,” Lambert concludes.

According Exit Info, the top five reasons people leave are:

- 1. No opportunities for career advancement.**
- 2. Lack of interest in the nature of the work.**
- 3. Lack of challenge or stretch in the role.**
- 4. Poor management or leadership by the direct manager.**
- 5. Desire for a career change.**

For more information on Exit Info, visit www.exit-info.biz

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* Australian Human Resources Institute (www.ahri.com.au), Information Services company Unisys, and Australian Bureau of Statistics data.

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